



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 7/12/2001

GAIN Report #JA1528

Japan

Market Development Reports

Food Business Line

Periodic Press Translations from ATO Tokyo

2001

Approved by:

David C. Miller, Director

ATO Tokyo

Prepared by:

Karen Halliburton, Deputy Director

Akiko Matsuyoshi, Marketing Clerk

Report Highlights: A summary of current news reports in America's largest food and agricultural export market as translated from Japan's mass media and food press. This issue's highlights include: Co-op Tokyo's home delivery service business doubles during past three years; food service chains plan rapid expansion of outlets this year; Dotour Coffee plans to compete head on with Starbucks; overall household expenditures in April see largest decline since March 1998; and new ingredient labeling requirements for HMR lunch boxes and side dish products.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Tokyo ATO [JA2], JA



Food Business Line

Periodic Press Translations from ATO Tokyo

Vol I, Issue 14 May 25 - June 8, 2001

Wholesale/Retail

- The number of orders for *Co-op Tokyo*'s home delivery service has doubled during the past three years. The success is due to the increase in working women and the aging population. (a 6/2)
- On May 29, *Lawson* convenience store chain began selling its own line of bread made from organic U.S. wheat. (a 5/30)

Food Service

- Major food service chains, such as *McDonald's*, and new emerging chains, such as *Reins International*, plan to rapidly expand the number of their outlets this year. This is mainly due to a decline in land prices and rent, as well as an increase in vacant space previously occupied by financial institutions. Although the overall food service market has not grown as much as anticipated, the total investment in new outlets in 2001 is expected to increase by 40% compared to last year. (a 5/26)
- *Dotour Coffee* plans to open 130 new *Dotour* coffee shop and *Excelsior Café* outlets in 2001, a 30% increase over last year. They plan to expand into regional cities, such as Sendai, Kyoto, and Sapporo, and compete head on with *Starbucks*. (b 6/5)
- Family restaurant chain *Friendly* achieved record high profits during 2000, an 80% increase over the previous year. The secret to their success has been a reduction in procurement costs, a decline in land prices, and a unique menu strategy and personnel system. (b 6/5)

Food Processing/New Products/Market Trends

- Japan's Public Management Ministry announced on June 5 that overall expenditures per household in April declined by 4.6% compared to the same month last year. This is the largest decline since March 1998. (a 6/6)
- In advance of a revision to the Food Sanitation Law which takes effect next April, manufacturers and retailers, such as *Lawson* and *Seven-Eleven*, have already begun labeling the ingredients of HMR prepared food products, such as *bento* lunch boxes and other *sozai* side dishes. Ingredients which will require labeling under the new law to avoid allergic reactions are: eggs, milk, peanuts, wheat, and buckwheat. Another 19 ingredients, such as beef and soybeans, will be "encouraged" to be labeled. (a 6/6)
- The effects of the recent *House Foods*' GM potato incident are spreading. Retailers, such as *Daiei* and *JUSCO*, are starting to remove other *House Foods*' potato products from their store shelves. Other manufacturers, such as *S&B Foods* and *Nissin Foods*, which use similar potato ingredients in their snack food products, have also stopped their product lines for reinspection. It is estimated that *House Foods* will incur 400 million yen in damages from the product recall. (a 5/26)

- New longer shelf-life tofu, bread, and milk products, developed by manufacturers such as *Asahi Foods*, *Komo*, and *Meiji Milk*, are selling well. Strict sanitary control systems have enabled a longer shelf-life without the use of artificial preservatives. (a 6/1)
- *Kuze*, *Toho*, and *Hattori Coffee Foods* announced on May 30 that they had reached a cooperative agreement regarding product development, information systems, and distribution. (c 6/4)

ATO/Cooperator/Competitor Activities/Trade Shows

- On June 8, Australian Trade Minister Bale visited national retailer *JUSCO*'s Minami-suna store in Tokyo to promote Australian food. *JUSCO* owns a dairy farm in Australia from which it directly imports beef into Japan. (b 6/5)
- On May 18, the *US Dairy Export Council* held a technical seminar on whey at Tokyo Big Sight. (f 5/28)
- The *Raisin Administrative Committee* held a "California Raisin Dairy Products Technical Seminar" in Tokyo on May 29, introducing menus combining raisins and dairy products. (c 6/8)
- On May 18, the *California Walnut Commission* held its "Technical Seminar 2001" at the Japan Snack Specialty School in Tokyo. (c 6/8)

RRRRRRRR

Sources

- | | |
|----------------------------------|---|
| (a) The Japan Economic Newspaper | (b) The Nikkei Marketing Journal |
| (c) The Japan Food Journal | (d) The Beverage & Food News Commentary |
| (e) The Japan Food News | (f) The Food Industry News |

DISCLAIMER - *Food Business Line* is derived from major Japanese news wires, mass distribution press, and food industry newspapers and magazines. Inclusion of an item in *Food Business Line* does not imply agreement by USDA or U.S. Embassy/Tokyo; nor does USDA or U.S. Embassy/Tokyo attest to the accuracy or completeness of the translation of the news item. ATO Tokyo cannot further translate or send source materials to users.